

2002 Analyst Meeting

November 7, 2002



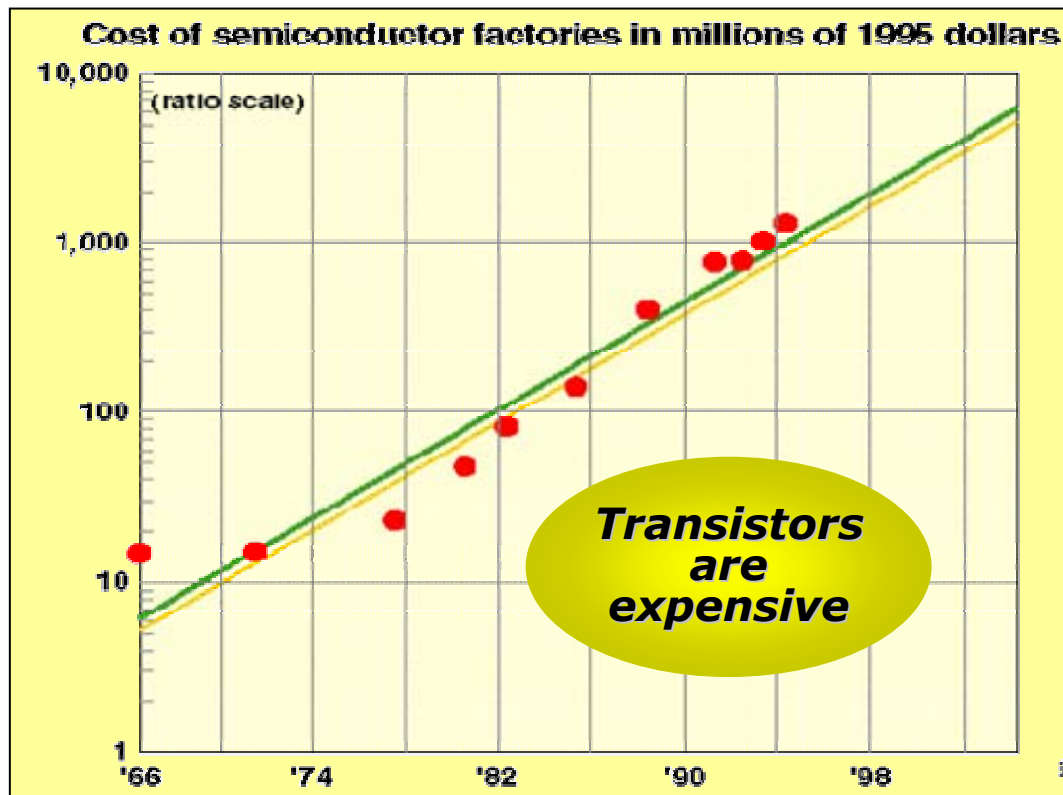
Hector Ruiz
President and CEO

November 7, 2002

Semiconductors ... between "a Rock"



Rock's Law: the cost of capital equipment to build semiconductors will double every four years.

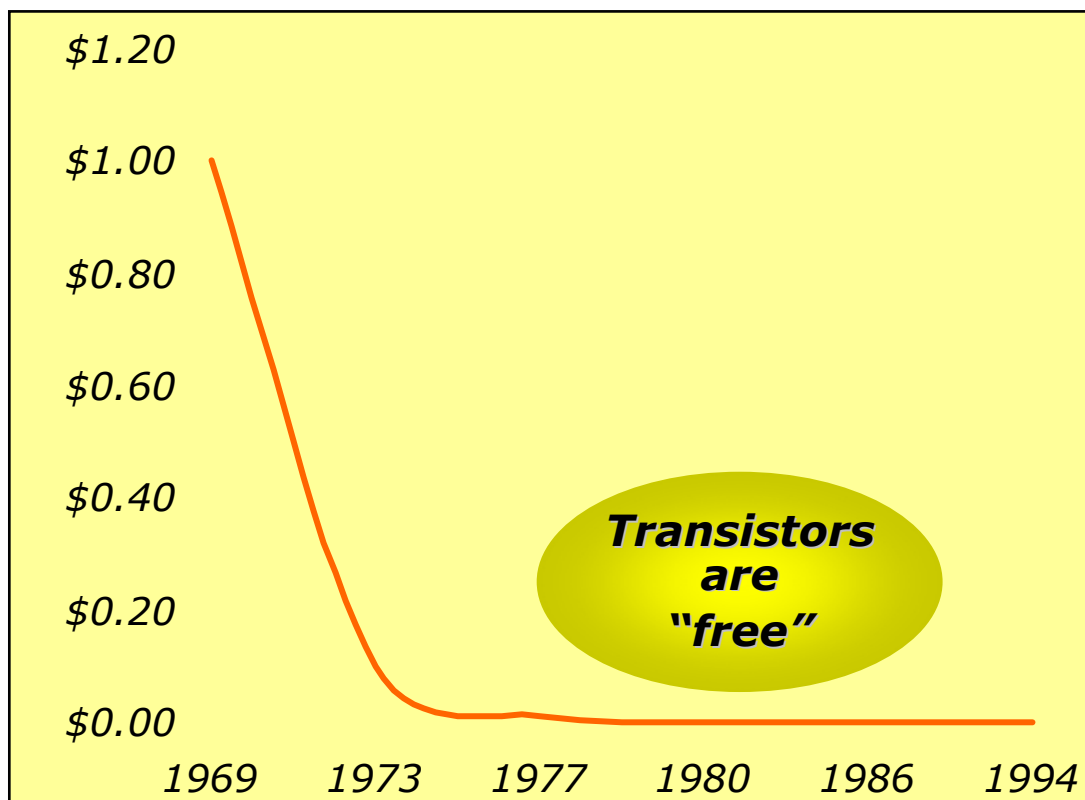


Source: Lawrence Livermore Labs

... "and a hard place"



Moore's Law: the average cost of a semiconductor transistor will decrease by half every 18 months.

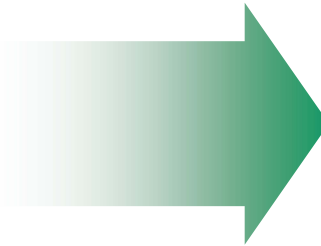


Source: Sematech

As the cost of a transistor approaches zero, semiconductor companies must shift their focus from building more transistors, to building stronger connections with customers and their customers.

Moore's Law

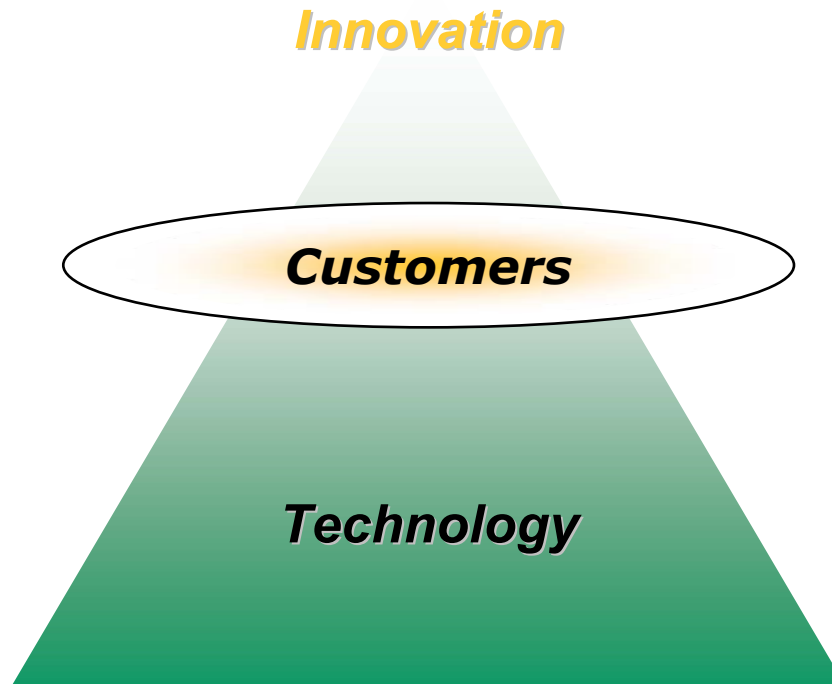
the average cost of a semiconductor transistor will decrease by half every 18 months



Metcalfe's Law

the value of a "network" increases exponentially with the addition of each additional node

There is a lot of technology and precious little true innovation. The difference is customers.



Metcalfe's Law

the value of a "network"
increases exponentially
with the addition of each
additional node

Delivering on the promise of customer-centric innovation:

Customer-centric innovation

***Connected
business model***

**AMD's value
will be based on**

"Connections"

**the number and quality
of our connections with
customers, partners
and end-users.**

Delivering on the promise of customer-centric innovation:

Customer-centric innovation

Connected business model

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Innovation through solutions

**AMD's value
will be based on**

"Solutions"

**our capacity to
evolve our contribution beyond
technologies and products into
systems and solutions.**

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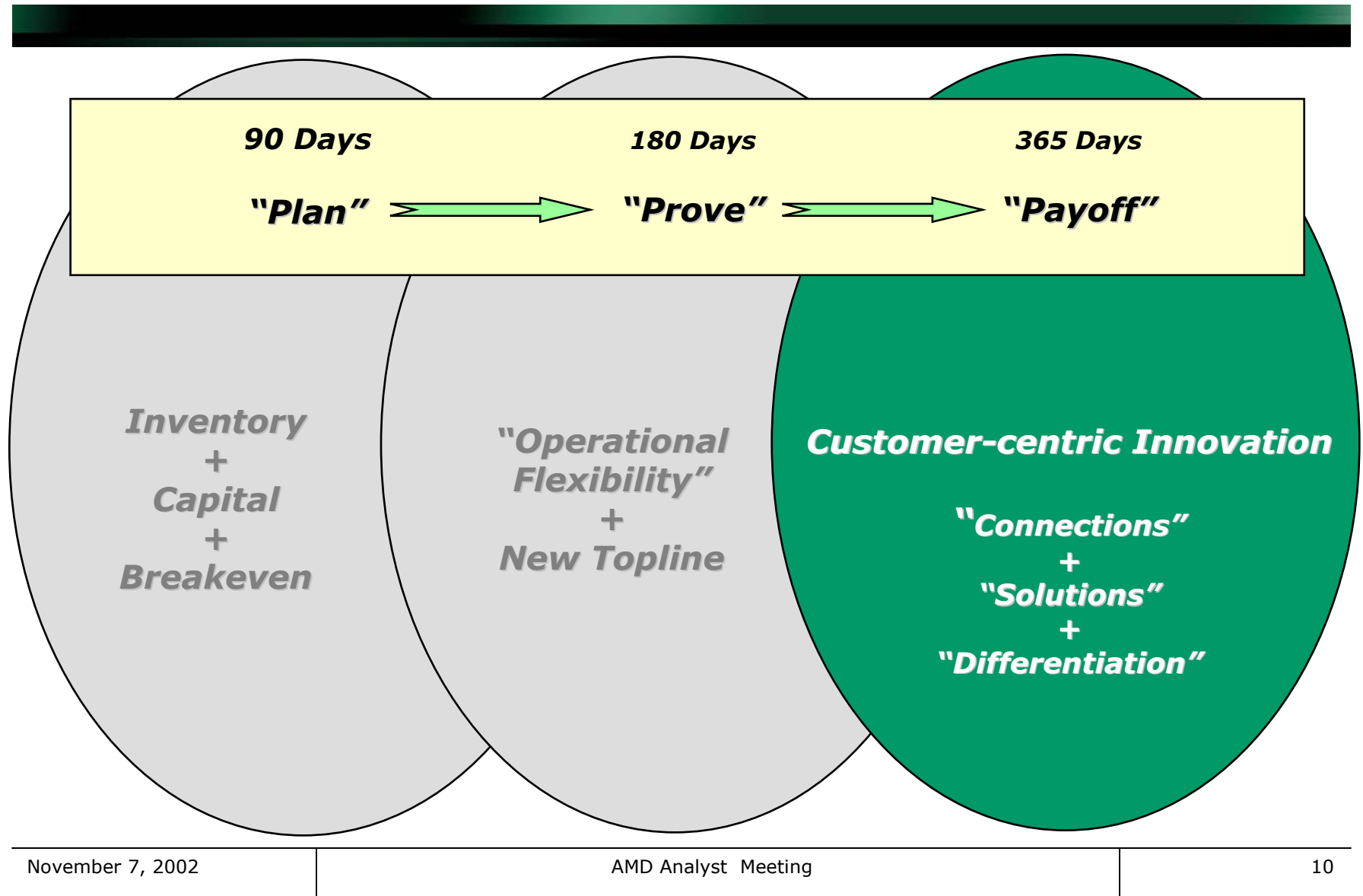
Maximizing customers' value propositions

**AMD's value
will be based on**

"Differentiation"

**our capacity to
help our customers deliver
increasing differentiation
at declining costs.**

Our Three-phase Plan





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